

# U.S. Probes Southwest Bell Funds

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Federal investigators are looking into allegations that the Bell telephone system in the Southwest runs an illegal system to funnel hundreds of thousands of dollars in corporate money into political campaigns.

The allegations are denied by Bell, but some evidence has surfaced, including canceled checks, a telephone executive's suicide note and a lobbyist's handwritten memos.

Investigators from one federal agency already have questioned Bell's chief accuser, fired executive James H. Ashley, 45, of San Antonio, Tex.

Investigators from federal law enforcement agencies and from several congressional committees also are known to be taking an interest in the case. The National Wiretapping Commission for the Review of Federal and State wiretapping surveillance also is studying associated charges of illegal electronic surveillance.

The affair began to unravel Oct. 17 when one of Southwestern Bell Telephone Co.'s \$80,000-a-year executives, T. O. Gravitt, 51, was found dead of carbon monoxide poisoning in the garage of his Dallas home. The death was ruled a suicide.

Gravitt, a vice president who had been in charge of all Texas operations, left behind a suicide note accusing the company of hounding him with a massive investigation of his business dealings and sex life. The note further accused Bell of making routine political payoffs, granting free phone service and free airplane rides to elected officials and of running a "slush fund" for political donations.

"Watergate is a gnat compared to the Bell system," Gravitt said.

Bell, meanwhile, dismissed Ashley, a close friend of Gravitt, as its \$55,000-a-year manager of the San Antonio area. On Nov. 25, Ashley and Gravitt's wife and two sons sued Southwestern Bell and its par-

ent company, American Telephone & Telegraph Co., for \$29.2 million.

The suit accuses Southwestern Bell of using unfair methods to get telephone rate increases in Texas, and says the company spread lies about Gravitt and Ashley when they tried to fight these methods inside the company. Bell denies there is anything improper in its rate practices, and says it fired Ashley for unspecified misconduct.

The suit also accused Bell's security forces of conducting illegal wiretaps. Bell admits it has the equipment to eavesdrop on its customers, but says this is done only to investigate persons it suspects of making obscene calls or of cheating the phone company on long distance calls.

Ashley, in published interviews, has accused the company of running an illegal political fund by paying 140 of its top executives phoney raises of \$1,000 a year and then telling them to donate the after-tax portion to different political campaigns at the rate of about \$30 a month.

A number of canceled checks have surfaced recently, written by Ashley to various political candidates, in amounts of \$50 and \$100.